

#### IV. APPLICATION REQUIREMENTS

##### A. FUNDING LIMITS

1. The community development needs section for the rating system will be utilized in developing three categories of applicants. **Those who may apply for \$250,000, \$400,000 and \$500,000.** For a more comprehensive description see Appendix F.
2. Applications for housing development activities, which increase the number of housing units permanently available to low/moderate income persons, may not, at the State's discretion, be counted as part of the application funding limit and may be awarded in excess of the funding limit. This provision is intended to fund specific and special development proposals that are complete and ready for implementation.

Be advised activities in support of the Corporation for Supportive Housing's (CSH) Pilot Program (Permanent Supportive Housing) have been deemed to qualify under this exception.

3. Applications for assistance to specific private for-profit businesses must be submitted as part of the town's application, but will not be counted as part of the application funding limit and may be awarded in excess of the funding limit. This provision is intended to fund specific proposals that are complete and ready for implementation.

This year, applications for assistance in support of local "State Main Street Program" managers/coordinators may be included as part of the application, but will not be counted as part of the application funding limit and may be awarded in excess of the funding limit.

4. Proposals submitted under 2. and 3. above should be reasonable and must include documentation relative to other funds committed to the project. Proposals under 2. and 3. above will not be funded as special projects if they consist solely of planning and/or predevelopment costs.
5. The State may, at its discretion, commit future funds to multi-year projects. Subsequent year awards would be contingent upon the receipt and availability of future CDBG allocations. This provision is intended for

specific community/neighborhood revitalization efforts which include a variety of activities planned phased over a multi-year period. Multi-year commitments will be contingent upon adherence to the development plan and substantial expenditure of previous year(s) funding. The State reserves the right to review multi-year comprehensive plans, make changes as deemed necessary or appropriate and to make funds received by the community contingent upon the State's approval of the plan.

**Communities that seek renewal of 3-year programs will be required to submit detailed achievement and progress reports in a format prescribed by MA.**

6. Communities eligible to receive a Small City Entitlement award will receive a grant of \$400,000 to be expended on eligible activities in the communities predominately low/moderate income areas, which meet minimum concentration requirements, consistent with a comprehensive plan approved by MA/CD. The State may impose conditions relative to the municipality's community organizing effort and plan. The State reserves the right to review this plan, make changes as deemed necessary or appropriate and to make small city entitlement funds received by the community contingent upon the State's approval of the plan and local adherence to the plan and to State imposed conditions. Small City Entitlement communities will be allowed to submit applications relative to the competitive portion of the distribution system up to a cap of \$300,000. **Small City Entitlement communities are not permitted to submit "Over the Cap" requests.**
7. Operating support for communities which host regional housing and community development programs may not be counted as part of a community's application funding limit and may be awarded in excess of the funding limit.
8. Special projects assisting tenants in the purchase and improvement of mobile home parks may not be counted as part of the community's application funding limit and may be awarded in excess of the funding limit. To be considered under this provision, it is understood that activities supportive of such tenant-acquisitions of mobile home park must be an integral part of the acquisition plan.

Certain Mobile Home Replacement programs have been deemed to qualify under this exception. Please consult Community Development staff for more information.



B. DURATION

All grant awards will be made for a 12 month period. Extensions may be granted by the State when satisfactory progress toward completion of the projects is evident.

C. SCOPE OF REVIEW

**Communities are reminded that the CDBG application process is highly competitive. The State intends to fund the best activities in the neediest communities, however all communities are not guaranteed an annual award.** In reviewing an application and awarding a grant, the State may eliminate or modify a proposed activity or modify proposed funding where it is determined that such changes are necessary to comply with program requirements, national objectives, and threshold requirements, or where certain activities are not competitive in relation to other applications under review. In reviewing requests for assistance to private for profit businesses, the State reserves the right to negotiate directly with the private participating parties to substantiate the economic feasibility of the proposed project and to determine the appropriate amount of public financing required.

Each application is reviewed twice. The application evaluation scoring system is a vertical competition between entire applications. The Steering Committee evaluation is a horizontal review between comparable activity groupings (ie. Neighborhood Revitalization Programs, Housing Rehabilitation, Economic Development, Service/Public Facility Improvements). This system is designed to achieve a reasonable balance between community development needs and individual project competitiveness and to fulfill the State's intended purpose as stated above.

D. THRESHOLD REQUIREMENTS

In recognition of State Development Policy, the following are established as basic requirements for the funding of an application:

1. Local Comprehensive Plan and Development Controls

All proposed activities must be in compliance with local development policy set forth in the locally-approved Comprehensive Plans and/or the State-approved Comprehensive Plans and with local development ordinances and regulations. **For communities without a State-approved Comprehensive Plan, the application shall indicate how the proposal is consistent with each element**



**of the local comprehensive plan and the State Guide Plan relevant to the project. Information on the State Guide Plan can be found on the world wide web at <www.planning.state.ri.us>.**

The CD office will accept as Zoning Ordinance compliance a proposal requiring the granting of a special use permit, variance or conditional zoning approval by the Zoning Board of Review, provided that the proposal satisfies all requirements for such approval. Any award will be conditioned upon the granting of the special use permit, variance or conditional zoning approval within 60 days of the date of award. Where a proposal requires amendment to an ordinance or regulations, it will be considered to be in conflict with that ordinance or regulation.

2. Flood Plains

New development will not be approved within the 100 year flood plain as defined on mapping provided by the Federal Emergency Management Agency unless such development is designed to mitigate or to be compatible with the flood hazard. This shall not apply to the reuse or rehabilitation for use of existing structures or to the development of shore or waterfront facilities where appropriate flood-proofing and flood protection measures are implemented and where hazards to other property is not increased. In addition, where required/deemed appropriate, any such investment shall be protected by flood insurance.

**The local Building Official or other appropriate local official shall certify that the proposed project is consistent with National Flood Insurance program requirements and with the above statement.**

3. Planning Transportation Actions

No program will be approved which includes the construction, development or rehabilitation of a facility in a locality which conflicts with a planned major transportation action or investment. Reference is made to all transportation elements of the State Guide Plan and to the Environmental Action Plan of the Rhode Island Department of Transportation for the definition of a "Major Transportation Act".



4. Stream Discharges

No activity which will result in discharges into Class A/SA or B/SB waters will be approved without the written consent of the Department of Environmental Management.

5. Historic Resource

**The application must include documentation that the Rhode Island Historical Preservation Commission and the Narragansett Indian Tribal Historic Preservation Office have been notified of all proposed activities. No activity will be approved without documentation demonstrating compliance with all applicable procedures, as adopted in memorandum(s) of understanding between the Office of Municipal Affairs and the R.I. Historic Preservation Commission and the Office of Municipal Affairs and the Narragansett Indian Tribal Historic Preservation Office.**

6. Ground Water Aquifers and Recharge Areas

No activity which will result in waste water discharge into an identified major ground water aquifer or principal recharge area will be approved unless such activity is served by public sewers or is designed to ensure protection of the ground water resources and approved by an agency of jurisdiction. Reference is made to the State of Rhode Island "208" Areawide Water Quality Management Plan Map of Water-Related Sensitive Areas.

7. Farmland

No construction or development will be approved in a location where more than 50% of the site consists of soils which are rated as prime farmlands or important farmlands of statewide significance in the 1981 Soil Survey of Rhode Island unless one or more of the following can be demonstrated:

- (i) No other location is feasible.
- (ii) The land cannot be part of a viable farm unit and has not been in farming use for a period of five years.
- (iii) Urban development has taken place within 1/2 mile of the location and urban utilities such as public water and sewerage are available within 1/2 mile of the location.



E. PRIOR PROGRAM PERFORMANCE

A grant award will be contingent upon satisfactory completion of prior State Small Cities CDBG projects, or, if not completed at the time of application review, satisfactory progress toward completion by the scheduled completion date with no discernible problems and in compliance with financial management, civil rights, labor standards and other program requirements.

**To be eligible to apply for FY'2005 funds, each applicant must have drawdown at least 50% of its FY'03 grant and at least 75% of its FY'02 and prior year awards by March 31, 2005. Communities are required to spend all monies awarded within five years of award date. Any funds remaining after five years may be deobligated and recaptured by the State, at its discretion.**

F. HOUSING AND COMMUNITY DEVELOPMENT NEEDS IDENTIFICATION

Each applicant must submit a statement identifying "its housing and community development needs, including those of low and moderate income persons, and the activities to be undertaken to meet such needs". Provision for this statement is made in the application forms. Failure of an applicant to submit this statement will result in the elimination of the application from further consideration. This statement should, where applicable, outline the community's plans for concentrated investment in a community or neighborhood revitalization program.

G. SMALL CITY ENTITLEMENT DISTRIBUTION SYSTEM

In FY'2005, the State will continue its Small City CDBG Entitlement program. Under this program, \$400,000 will be distributed to each community which qualifies as a small city entitlement. Funds will be distributed for eligible CDBG activities consistent with the State's Action Plan in the municipality's predominately low/moderate income areas, which meet minimum concentration requirements (detailed elsewhere in this handbook).

The State promotes comprehensive neighborhood revitalization strategies. Under this program, CDBG and other resources will be invested in a focused manner to achieve demonstrable improvements in designated distressed areas.

Various criteria have been utilized in designating Small City CDBG Entitlement communities. This criteria is detailed elsewhere in this handbook.

To ensure targeting of CDBG resources to the most needy areas, all funds distributed on an entitlement basis must be expended in the focus area(s) that meet the criteria established by the State as outlined above. It is this distressed area(s) which is empowering the municipality to become a Small City CDBG Entitlement and therefore should be the area(s) concentrated upon for distribution of entitlement funds.

Receipt of a Small City CDBG Entitlement award is contingent upon the completion of local plans, outlining the needs of the municipality's distressed area(s) and how proposed actions can be accomplished to address those needs. Expenditure of entitlement funds must be based on this plan for the designated area(s).

The State reserves the right to review the plan, as required above, to make changes as deemed necessary or appropriate and to make any entitlement funds received contingent upon the State's approval of such plan.

The balance of State Small Cities CDBG funds will be distributed to communities for activities on a competitive basis.

#### H. MAIN STREET PROGRAM

The Main Street program provides Main Streets with a self-help framework that fosters gradual, incremental, sustainable improvement. Its four point approach to revitalizing commercial areas includes:

- 1) Design - which involves improving a Main Street-s image by enhancing its physical appearance;
- 2) Organization - which means building consensus and cooperation among public and private stakeholders and getting them to volunteer their time;
- 3) Promotion - involves marketing the Main Street's unique characteristics to shoppers, investors, new businesses tourists and others; and
- 4) Economic restructuring - which strengthens the existing economic base while expanding and diversifying it.

Local communities acknowledge that a statewide program will allow Rhode Island to draw upon the expertise and success of the National Main Street Center and other resources in development of a commercial revitalization initiative.

The CDBG program will be used as a tool in support of the Main Street Program once it is initiated. Those specific activities which can be assisted with CDBG funds (ie. those that meet eligibility and national objective requirements) can be focused, investing resources in these typically distressed predominantly low/moderate income areas.



Those non-entitlement municipalities selected as Main Street communities will be encouraged to submit proposals, consistent with their Main St./CDBG neighborhood revitalization strategies, for funding under the CDBG annual competition. Such activities will be highly prioritized and competitive under the State's distribution system.

CDBG assistance to Main Street Initiatives should be incrementally decreasing over time. It is anticipated these programs will engage in independent fundraising of private as well as public resources, eventually becoming self-supporting.

#### I. PREAGREEMENT COSTS

The State intends to utilize the provisions of 24 CFR Part 570.489(b) relating to Reimbursement of Pre-agreement Costs.

The State has adopted procedures which permits a unit of local government to incur costs for CDBG activities prior to the establishment of a formal grant relationship between the State and the unit of general local government and to charge these pre-agreement costs to the grant, provided that the activities are in accordance with procedures adopted by the State, are eligible and are undertaken in accordance with the requirements of this subpart and 24 CFR Part 58.

#### J. PERMITTING PROCEDURES

No expenditure for construction or development, **excluding the costs generally associated with site design and predevelopment**, will be authorized until all reviews, permits, clearances and/or statements of non-applicability have been received as required by any applicable Federal, State and **local** regulatory or permitting process such as the Fresh Water Wetlands Act, the Coastal Resources Management Act, the program of the U.S. Army Corps of Engineers or the U.S. Environmental Protection Agency. Applicants are required to identify any such applicable system.

#### K. CITIZEN PARTICIPATION

Each applicant must involve citizens in the preparation of Community Development programs, and shall provide technical assistance to groups representatives or persons of low and moderate income that request assistance in development proposals. Each applicant must provide for a minimum of two public hearings, each held at a different state of the application process.

##### 1. First Hearing

Each applicant must hold a initial formal public hearing to obtain the views of citizens on community development

and housing needs and on program performance. Notice of the public hearing shall be inserted into a newspaper of general circulation in the community at least 7 days prior to the date of the hearing. In addition, each applicant shall take steps to announce the hearing through other media to reach persons, such as minority and foreign language residents, not normally reached by newspapers of general circulation.

Eligible cities and towns shall establish procedures to notify low and moderate income persons of opportunities to participate. Where a neighborhood(s) has been designated as an area of slums or blight or as an area which is predominately low/moderate income, communities shall document special efforts to notify neighborhood residents of opportunity to participate.

Applicants shall provide technical assistance to groups representative of persons of low and moderate income that request assistance in development proposals. Such assistance need not include providing funds for such groups. Interpreters shall be provided where a significant number of non-English speaking residents are expected to attend. The public hearing must be conducted by a local government official designated by the Chief Executive or Governing Body in a facility accessible to the handicapped. Sign interpreters should be provided if requested in a timely fashion.

REQUIRED PUBLIC NOTICE:

The (City/Town) of \_\_\_\_\_ is considering the filing of an application for a Small Cities Community Development Block Grant. A maximum of \$ \_\_\_\_\_ is available to undertake the following range of activities:

- a) Provisions of employment opportunities for low and moderate income individuals.
- b) Improved housing opportunities for low and moderate income families and individuals.
- c) Provision of community facilities and services principally benefitting low and moderate income families and individuals.

A public hearing will be held at \_\_\_\_\_ on \_\_\_\_\_ at \_\_\_\_\_, for the purpose of obtaining the views of citizens on community development and housing needs and on program performance.

(Need handicapped and sign language)  
(Phone number to call and TDD number for interpreter)  
IV-9

The following information shall be provided at the public hearing:

- (i) The amount of funds expected to be available for proposed community development and housing activities, including the grant and anticipated program income.
- (ii) The range of activities that may be undertaken.
- (iii) Description of the past use of funds and the relationship of activities to local community development objectives.
- (iv) The estimated amount proposed to be used for activities that will benefit persons of low and moderate income.
- (v) Plans for minimizing displacement of persons as a result of activities assisted with Community Development funds and to assist persons actually displaced as a result of such activities.

2. Second Public Hearing

Each applicant must publicize the Proposed Application and hold a public hearing to obtain citizens' views on proposed activities. Notice of the availability of the proposed application shall be published at least 7 days prior to the public hearing and shall allow for comment either written or oral during that 7 day period.

- 3. In preparing the Final Application, communities must consider any comments and views and modify the application if it is deemed appropriate. A record of comments and responses must be maintained by the community.
- 4. The Final Application, as submitted, must be made available to the public.
- 5. Written minutes with a listing of participants must be kept on both public hearings.





6. In developing a program, applicants are to provide for citizen participation appropriate to the activities proposed within the program period. This citizen participation component should be outlined briefly in the "Preliminary Management Plan" and shall provide citizens the address, phone number, and times for submitting complaints and grievances and shall provide for timely written response to written complaints and grievances. Where practicable written answers shall be provided within 15 working days.

7. Handicapped Accessibility

Cities and towns are required to make reasonable accommodations to assure that all CDBG public hearings are conducted in a manner that facilitates the full participation of persons with disabilities.

When a CDBG hearing is advertised and conducted as an agenda item within an official scheduled meeting of a public body (ie. town council/planning board), the "CDBG Hearing" agenda item shall be heard as close to the time advertised as possible. Procedures shall be established to allow and accommodate requests by persons with disabilities to adhere to the advertised time of the hearing. Requests shall be made prior to the beginning of the meeting of the public body and shall be reviewed and granted on a case by case basis. Approval shall not be unreasonably denied.

- L. PUBLIC DISCLOSURE

1. General: Subpart C of Section 102 of the HUD Reform Act is designed to ensure greater accountability and integrity in the way HUD assistance is made available and is applicable to the State's Small Cities CDBG program.

Each CDBG applicant must complete and submit a Community Development Disclosure Report (**Subsequent to notification of potential award**). This report is provided in the application package and instructions for completing this report may be found in Appendix E.

2. Requirements:

- (i) Full Disclosure report must be submitted by any applicant requesting more than \$200,000 in CDBG funds.



- (ii) Full disclosure reports must be submitted by any applicant requesting less than \$200,000 but has received or could receive other covered assistance (See Appendix E) which when added to the CDBG funds exceeds \$200,000.
- (iii) An applicant request of \$200,000 or less in CDBG funds, that will not be receiving other covered assistance, is not required to make full disclosures, but must complete and submit Part I and II of the Disclosure Report.

### 3. Initial Reports

Applicants required to submit full initial report must disclose the following:

- (i) Other government assistance (Federal, State and/or local) that is to be used in conjunction with the CDBG project.
- (ii) Identification of Interested Parties: Interested parties are persons and entities with a reportable financial interest in the project. If an entity is being disclosed, the disclosure in Part IV must include an identification of each officer, director, principal stockholder or other official of the entity. All consultants, developers or contractors involved in the application for CDBG assistance, or in the planning, development or implementation of the project, must be identified as an interested party. Also, any other person or entity that has a pecuniary interest in the project that exceeds \$50,000 or 10 percent of the CDBG assistance, whichever is lower, must be listed as an interested party. Pecuniary interest means any financial involvement in the project, including (but not limited to) situations in which a person or entity has an equity interest in the project, shares in any profit or resale or any distribution of surplus cash or other assets of the project or receives compensation for any goods or services provided in connection with the project. (The following are not considered interested parties: local CDBG administrative staff, recipients of housing rehabilitation assistance, and rehabilitation contractors as long as the rehabilitation agreement is between the property owner and the contractor).



- (iii) The sources of all funds to be used in the project (including those sources identified in (i) above) and the uses to which said funds are to be put.
- (iv) The state is prohibited from contracting CDBG funds to a local government until the Disclosure Report is submitted.

M. LOCAL PLANNING BOARD OR COMMISSION REVIEW

In addressing Threshold Requirement "1", the proposed program activities must be submitted to the local Planning Board or Commission for review and certification to determine compliance of proposed activities with local development policy set forth in the local Comprehensive Community Plan and with local development ordinances and regulations. In addition to the required certification, a copy of the Board or Commission minutes must be forwarded to MA/CD as part of the Application showing the discussion and action of the Board or Commission. Certification of compliance is required prior to the award of funds.



## V. PROGRAM REQUIREMENTS

The following general guidelines relative to a number of administrative items are included to assist applicants in assembling work item description and budget data. The Management Handbook, to be issued by the CD office to all successful applicants, sets forth detailed requirements for the management of local projects.

### A. LOCAL ADMINISTRATIVE COSTS

The cost of local planning and administration of a project is limited to 15% of the total grant award. Appropriate administrative costs are:

1. Program management personnel, accounting, bookkeeping, clerical and other functions of program administration.
2. Travel of administrative personnel.
3. Supplies such as: paper, drafting materials, forms, postage and similar items required for program administration.
4. Purchase or rental of services such as: auditing, telephone data processing, duplicating, printing and similar administrative requirements.
5. Purchase or rental of required office and administrative equipment, including: typewriters, calculators, filing equipment, communication equipment, office furniture and similar items. The purchase of such equipment is authorized only for the initial Small Cities grant and not for any subsequent grant. Authorized equipment does not include the purchase of automobiles or other heavy equipment. Disposition of acquired equipment is governed by close-out procedures.
6. Costs associated with provision for public input into program implementation or for any citizen information component of the program.
7. Costs incurred in environmental or other reviews or in the satisfaction of any permitting procedure or other local, state or federal requirement necessary for program implementation.
8. Consultant costs, if used for overall program management or program design, subject to the restrictions discussed under Subpart B., following.

Costs which are directly related to specific program activities are considered as costs within those activities and are not included within the 15% limit. Such costs may include: housing inspectors, appraisers, estimators, loan officers, construction inspectors and relocation officers.

#### B. USE OF CONSULTANT OR STAFF SERVICES

Applicants may use municipal staff or contract for services in the preparation of applications and in the management of an approved project. This decision should be based upon the nature of the program and the general capacity of the local government. A community may elect to use contract services for the preparation of application materials as a matter of convenience, recognizing that many consultants have experience in community development programs. The selection of a consultant shall be conducted in a manner so as to provide maximum open and free competition.

The following guidelines are for communities deciding to use contracted services for the preparation of an application.

1. A community whose application is approved for funding may budget up to \$5,000 as an administrative cost for work in the preparation of the application. Any cost in excess of this \$5,000 must be funded by the community.
2. Funds will not be available for such reimbursement if the application is not approved for funding.
3. Communities may contract in one of two ways:
  - (i) By payment from local funds with reimbursement up to the prescribed limit if the application is funded. This represents a risk of local funds since the reimbursement is available only if the application is funded.
  - (ii) By "speculative" arrangement for such services where payment up to the prescribed limit is made only if the application is funded. This represents a risk on the part of the contractor.

Applicants are reminded that a goal of the Small Cities Program is the development of local capacity to sustain a program of community development. A community receiving funding for the first time must develop this capacity either by forming a local staff and utilizing available technical advisory services or by using contract services having the required capacity. If the option of contract services is used, such services must also be used to building local management capacity.





Communities may not contract for the preparation of application material and guarantee the contractor the right to administer the approved program. A contract for program management cannot be executed until after a grant award. While the Community Development office recognizes that the same contractor may be engaged for management, the community must initiative an open selection process so that it may examine the qualifications of all candidates. Any such contract or consulting services must be selected in accordance with Federal requirements.

#### C. PROGRAM INCOME

Any income resulting from the implementation of an approved program activity shall be returned to the State program unless such income is applied by the grantee to continue the approved program activity from which such income was derived. Upon request, the CD office may grant permission for the use of such income funds for another eligible program activity.

Program income generated by CDBG grant funds the State received prior to federal fiscal year 1993 are subject to CDBG program requirements as long as a contractual obligation exists between the State and the grantee. Program income generated by CDBG funds the State received for federal fiscal year 1993 and later are subject to CDBG program requirements as long as program income continues to be generated. Cities and towns must adopt a procedure to separately account for program income generated from grants prior to FY'93 and grants received in FY'93 and later.

Program income funds generated through CDBG activities will not be defined as program when the amount of funds received in a calendar year totals less than \$25,000. The state has adopted the calendar year (beginning January 1, 1994) as the period used to compute the \$25,000 threshold.

Communities are encouraged to treat all monies received, resulting from the implementation of a CDBG-approved activity, as program income and to utilize such for CDBG-eligible activities in accordance with State CDBG rules and regulations.

#### D. DISPLACEMENT AND RELOCATION

It is the policy of this program to minimize displacement due to the implementation of any program activity. Where there is no feasible alternative, relocation shall be governed by the Uniform Relocation Act. For any other involuntary or permanent displacement with respect to residential or non-residential property, not covered by this Act, grantees will be required to utilize the general standards of said Act by providing equivalent benefit. The State will require prior approval of any potential



displacement and relocation resulting from the approved activity. Each grantee shall certify compliance with the State's Residential Antidisplacement and Relocation Assistance Plan and adopt policies to minimize displacement.

E. ONE-FOR-ONE REPLACEMENT

In accordance with Section 104(d) of the Housing and Community Development Act of 1974, as amended, and implemented at 24 CFR Part 42.375, effective November 4, 1996, all Occupied and Vacant Occupiable Lower-income dwelling units that are demolished or converted to a use other than as Lower-Income dwelling units in connection with an assisted activity must be replaced with comparable lower-income dwelling units.

Replacement units must be sufficient in number and size to house no fewer than the number of occupants who could have been housed in the units that are demolished or converted.

Financially feasible for rehabilitation is defined as any unit which can be rehabilitated to code within the maximum subsidy per unit limits for HUD's 221(d)(3) program. Any unit which does not meet the requirements of condemnation under the State Building Code for reasons directly attributable to deteriorated major building systems is hereby determined to be Structurally Feasible for Rehabilitation. All definitions are as defined in the State's Consolidated Plan.

Recipients must certify to the State that it has in effect and is following a residential antidisplacement and relocation assistance plan and that it will minimize displacement. The municipality will certify to the requirements stated herein by signing the Residential Antidisplacement and Relocation Assistance Plan as part of its grant agreement.

Prior to the obligation/expenditure of funds, communities which plan demolition activities must submit to MA/CD a "One for One Replacement of Lower-income Dwelling Units" plan which details how units which are planned to be demolished will be replaced. Said plan should include a list of structures to be demolished, those identified as financially and structurally feasible for rehabilitation and how such units will be replaced if demolition is to occur.

The one-for-one replacement requirements may not apply, based upon objective data, if it is determined there is an adequate supply of vacant low/moderate income dwelling units in standard condition available on a nondiscriminatory basis within the jurisdiction of the grantee. A community may request such exception from the State in accordance with the regulation, who will evaluate the request and required supporting documentation submitted, and submit such to HUD along with its recommendation.



F. NON-PERFORMANCE OR NON-COMPLIANCE BY GRANTEES

The CD staff will monitor grantees for compliance with program requirements and the terms of the grantee agreement. While the principal purpose of this monitoring is to provide for timely detection and correction of problems which may arise, this system will also serve to initiate action toward the rescission of grants and the recapture of funds where no corrective local effort is indicated. CDBG staff will make every effort to assist in resolving problems, including amendment of the grant agreement where extenuating local circumstances exist, and the rescission of a grant will be considered only as a last resort. Local program administrators are strongly urged to consult with CDBG staff whenever problems arise.

G. INDEPENDENT AUDIT

Grantees will contract for an annual independent audit of their financial operations, including compliance with federal and state laws and regulations, if required. Any local government with federal expenditures in excess of \$300,000 in an audit period, must have an annual audit conducted in accordance with OMB Circular A-133. Grantees with federal expenditures below this threshold amount, must document this fact with Municipal Affairs, Community Development.

H. CIVIL RIGHTS COMPLIANCE

1. EQUAL OPPORTUNITY

Grantees are required to collect and maintain data on the racial, ethnic, handicapped status, and gender characteristics of heads of households, of persons who are applicants for, participants in, or beneficiaries of the program.

2. FAIR HOUSING

Grantees must prepare and implement a plan of action affirmatively furthering fair housing for each CDBG grant.

3. SECTION 3

Grantees are required; under Section 3 of the Housing and Community Development Act of 1968, as amended; for activities providing direct assistance, to the extent feasible, to assure that, opportunities for training and employment be given to lower income residents of the area, and that contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in the area.



4. EXCESSIVE FORCE

No CDBG funds may be obligated or expended to any unit of general local government that fails to adopt and enforce a policy of prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; or fails to adopt and enforce a policy of enforcing applicable state and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstration within its jurisdiction.

5. ASSESSMENTS

Grantees will not attempt to recover any capital costs of public improvements assisted in whole or in part with Title I funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements; unless (a) Title I funds are used to pay the proportion of such fee of assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than Title I funds; or (b) for purposes of assessing any amount against properties owned by persons of low or moderate income who are not persons of very low income, the State certifies that it lacks sufficient Title I funds to comply with the requirements of clause (a).

6. TECHNICAL ADVISORY SERVICES

In compliance with its Community Development certification, the State of Rhode Island has taken steps to make technical advisory services available to both applicants and grantees. Although the Community Development staff cannot prepare your application or determine what activities to apply for, the staff is available to assist local communities with submission requirements. The staff also works closely with grantees to provide assistance in the management of funded projects.





## VI. THE APPLICATION AND AWARDS PROCESS

### A. Outline of the Application Procedure

The general steps in the application and review process are as follows:

1. Notification to eligible communities of their funding limit and the availability of funds and transmittal of an Application Handbook with the final date for application submission. An application workshop will be scheduled.
2. Convening of a public hearing by prospective applicants to obtain the views of citizens on local housing and community development needs.
3. Publication by the applicant of the proposed application including a statement of community development objectives and the projected use of funds. A second public hearing shall be conducted before the proposed application.
4. Completion of the application incorporating comments and views obtained from citizens. The final application shall be made available for public inspection.
5. Submittal of activities to the applicant's planning board or commission to determine compliance of proposed activities with local planning and development policy as set forth in the local Comprehensive Community Plan. Certification of compliance is required prior to the award of funds.
6. Completion of the application and all necessary certifications with all supporting materials and submitted to the CD staff at the Municipal Affairs, Community Development by the required deadline.
7. General application review as follows
  - (a) Review by CDBG staff for general compliance with program and application requirements, national objectives and eligible activities.
  - (b) Referral to the Division of Planning for review and evaluation of threshold criteria.
  - (c) CD staff may, at its discretion, consult with other state agencies, including but not limited to the Department of Elderly Affairs, the Economic Development Corporation and the Department of Health, for advice relative to requests for assistance in their areas of expertise.



- (d) During the review period, the CDBG staff may request additional information or documentation from applicants and may request minor modifications to the proposal in order to meet program requirements, national objectives, and threshold criteria. The Economic Development Subcommittee may also request additional marketing and financial information directly from the private participating parties. Applicants will not be allowed to make substantial changes or modification to their applications which would necessitate public notice and comment. Applicants will be allowed no more than two weeks to submit requested material.
  - (e) Application of the evaluation scoring system by the CD staff.
  - (f) Applications ranked by evaluation scores, and comments from the Division of Planning or any other consulted agency/committee will be submitted to the Steering Committee for review.
  - (g) Applications which are not in compliance with program requirements, national objectives, or threshold requirements, will not be submitted to the Steering Committee for further review.
8. Qualitative review by the Committee as outlined below, assisted by CDBG staff. Development by the Committee of recommendations for funding, with any appropriate conditions, for transmittal to the Governor, who is responsible for the final decision on grant awards.

